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Case 1

The city has problems with work ability and productivity. The city starts to collaborate with insurance companies for consultation, because a healthy and energetic working community leads to the best possible outcome in terms of business. The equation is simple: work ability creates productivity, and productivity brings success – you can see this in your company's results.

Public-private partnership: Insurance companies are problem solvers.

Case 2

The city buys ambulance services from the company. The purpose is that health care processes run smoothly. Some customers have personal insurances as well.

A customer goes to a private health care company. The doctor makes a decision that the customer needs an ambulance. Something goes wrong between the private health care company, the public hospital and the ambulance service concerning communication and information sharing. This causes more health problems to the customer.

Public-private partnership: Insurance companies have to deliver services in the environments in which actions and services are based on public-private partnership. This makes the environment much more complex.

Case 3.

The insurance company develops artificial intelligence services. It needs help from private companies. The insurance company needs information concerning the regulation of artificial intelligence.

Public-private partnership: Insurance companies activities are based on PPP.

Public-private partnership: Insurance companies are problem solvers

Public-private partnership: Insurance companies' activities are based on PPP

Public-private partnership: Insurance companies have to deliver services in environments in which actions and services are based on public-private partnerships.

- Could we say that insurance companies are ready for the complex environments in which PPP models are more and more common?
- Could we say that insurance companies' activities promote the development of PPP?

Service economy

Various more market-based public procurement practices have been introduced to procurement practitioners, ranging from public finance initiatives (PFIs) to public-private partnership (PPP) and pre-commercial procurement (PCP) options.

In developed countries, public procurement covers roughly 15 to 20 per cent of the GDP. For instance, the annual value of public procurement in Finland is around 35 billion euros and in line with the latter average share of the country's GDP.



Service society



Door alarms



Videophone service

"Hello Mrs. Kauko, how are you? Have you had your lunch already? Was it good? Let's take your medicine now. Fine! See you later, Mrs Kauko, Bye!"



Touch screen memo calendar



Therapeutic robot: Paro the seal



GPS spotters



Sensor alarm mat



Digital technology is widely used in social and health care: pharmacy, doctors, nurses, social workers.

New kinds of structures based on PPP model

The city of Tampere executes the welfare services in Tesoma with a new type of partnership. The city provides the services in a joint effort with their own organization and the bid-winning service provider or group of service providers. The service providers are selected through a negotiation procedure and the services are planned in the form of an alliance.

Three generations of services

The differences between the generations lie not only in their concepts of the nature of services but also in **the ways in which services and systems should be developed.**

Service generations: Essential differences in **development model, learning process, and concept framework**

Laitinen & Stenvall 2015

The first generation of services

The first generation service science concentrated primarily on **single public services and service sectors**. The objective was to understand the laws governing certain services, such as design services or health care and social services.

Services were organised **identifying the customers' needs, but largely with a production-oriented approach**.

The second generation of services

The second generation of **services aimed at comprehensively organising and arranging services to solve the customer's problems.** This carried the notion that sectorally organised service systems operate with too narrow views in solving the customers' problems.

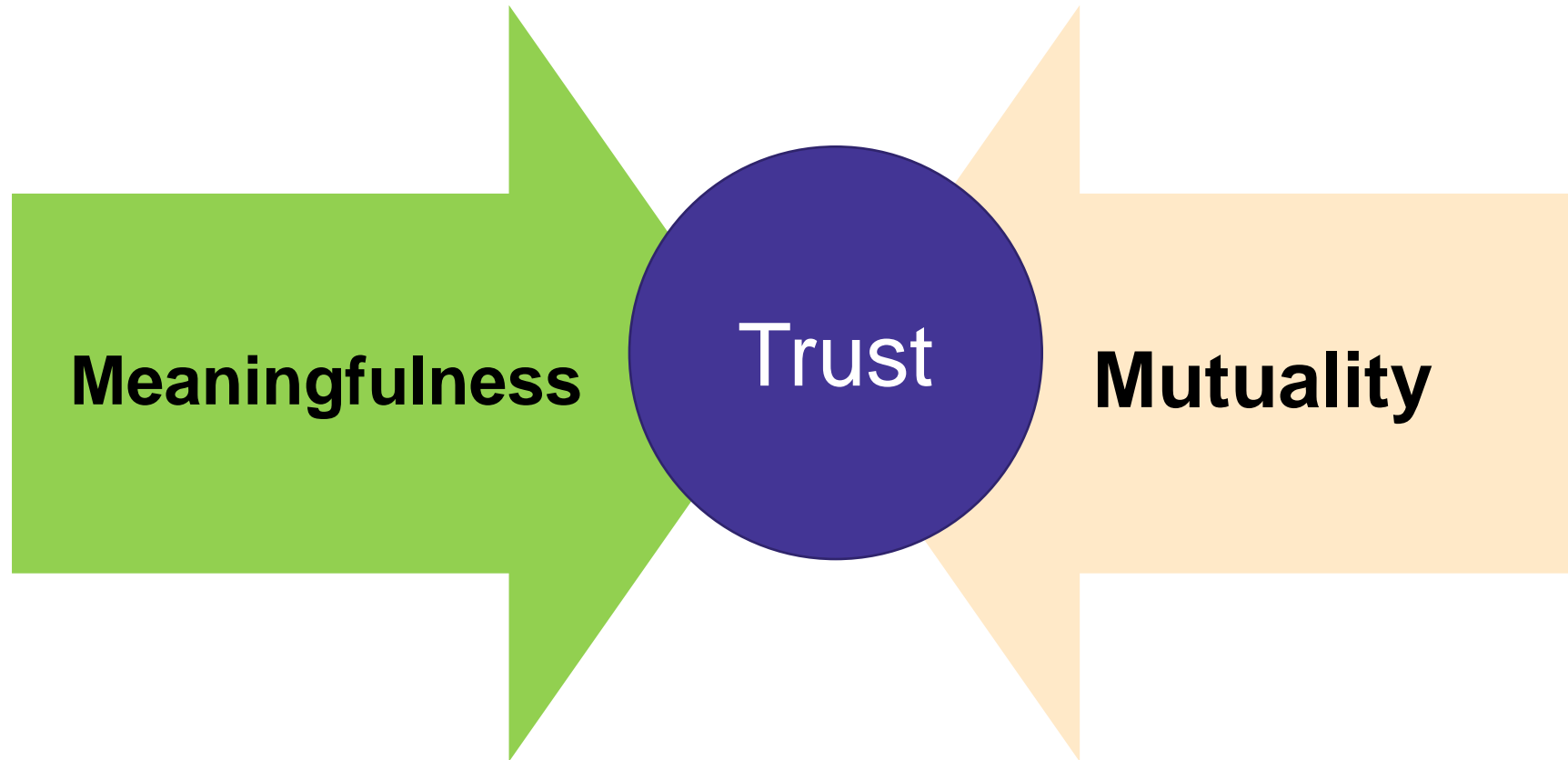
The second generation service science sees **service models as solutions to the customers' problems.**

The third generation of services

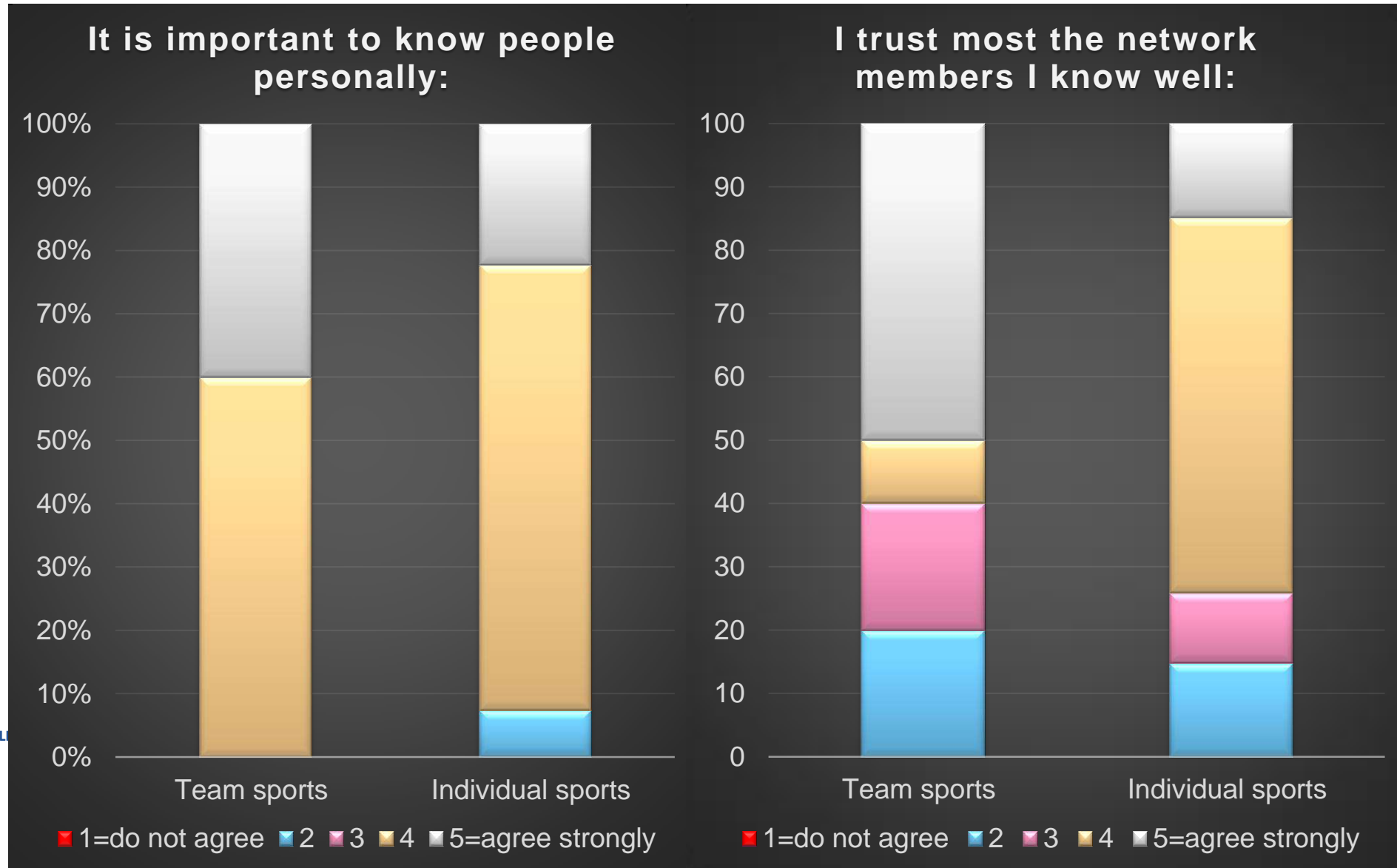
Services of the third generation are based on the view that **services shall be organised according to what is outlined for open systemic thinking.**

From this perspective, services are **constantly developing, interactive processes, where reformation and learning are based on information, experience, and in-process learning,** regarding the realization of services as well as the planning of service processes

Meaningfulness, Mutuality, Trust (Yeoman, Thompson, Stenvall & Laitinen)



- Networks are based more on personal contacts and personal trust than on system-level trust (Lehtonen & Stenvall 2019)



Service-as-a-system (Laitinen, Kinder & Stenvall 2018)

Logic of practice is the key thing in creating an effective service system.

PPP & partnership

Partnership implies joint and voluntary endeavours toward a common goal. Therefore, partnership is about sharing power, responsibility, and achievements.

Partnership encompasses mutual influence, with a careful balance between synergy and respective autonomy, which incorporates mutual respect and equal participation.

Building Partnership: Critical Issues

It may present difficulties in delivering upon specified outcomes.

It may focus on short-term outcomes and hence be short lived.

It may tolerate or nurture strategic behaviour in partners which may diminish social values and benefits.

It may resist or be reluctant to involve external stakeholders.

It may present difficulties in communicating and channeling common social messages and demands.

It may bring public sector practices into the partnership and render it ineffective.

PPP & Insurance companies

- PPP is a problematic development trend for insurance companies because of the responsibility issues.
- PPP means that personal insurances are more important. For instance, service providers might be just a part of the service process.
- Typically, risk analyses of PPP are missing at the practical level.
- The services or products of insurance companies do not sufficiently support the development of PPP.
- There is a need to regulate PPP.

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